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SUBJECT: COLOMBIAN FLOWER INDUSTRY MAKES SOCIAL AS WELL AS
ECONOMIC CONTRIBUTIONS

Summary

¶1. Colombia's flower industry contributes USD 1 billion to the economy and directly employs 100,000 workers, the majority of them female heads-of-households. The industry spends millions on social programs for its workers and has developed a certification program that has dramatically improved environmental standards. Still, critics complain that the industry has not supported workers' freedom of association and workers' rights are marginalized. Acknowledging the issues, the industry's main certification program now explicitly supports freedom of association and is considering ways to improve other labor issues. With increased direct flights to the U.S. and growth between 20-30 percent, the industry predicts a "rosy future." End Summary.

A Blooming Business

¶2. Over the last 40 years Colombia's flower industry has evolved into the world's second largest flower exporter, directly employing 100,000 people and contributing close to USD 1 billion to Colombia's economy. Flowers are the country's second most valuable agricultural export (after coffee). Colombia exports 98 percent of its flowers, with 80 percent headed for U.S. and the rest bound for Europe and Japan. Forty large farms (50 hectares) control one-half of the market with the rest equally divided between 60 medium (20 hectares) and 200 small farms (less than 20 hectares). Eighty percent of export flowers grow within a few hours drive from Bogota because of the large labor pool, good growing climate, substantial water resources and easy access to an international airport. The flower industry currently uses 75 percent of all Colombian air cargo space. The Colombian Association of Flower Exporters (Asocolflores), which represents 75 percent of all flower exporters, said cargo availability has been one of the industry's biggest bottlenecks. Industry experts predict that increased direct flights to the U.S. would generate increased growth of 20-30 percent over the coming years.

Deeply Rooted Social Values

¶3. The flower industry is a leader in corporate social responsibility in Colombia. Ernesto Velez, Chairman of the Board of Asocolflores told us 100 percent of the workers for Asocolflores' 225 member companies are covered by social

security, 85 percent are permanent employees, and 75 percent receive 20 percent or more above the minimum salary. Velez also said the industry plays an important role in social stability as over 60 percent of the workforce are female heads-of-households. The industry spent USD 14 million on social investments in 2006. Asocolflores runs a School of Floriculture, supported by USAID, that reaches out to victims of Colombia's conflict offering them vocational training, psychological support and other opportunities with the goal of reintegrating them back into society. Asocolflores also created daycare centers for 20,000 children, and helped almost 5,000 families own their own home.

Florverde: A Homegrown Certification Program

14. In 1996 Asocolflores created an industry certification program, "Florverde", which requires that companies meet specific environmental and social standards. Florverde consistently raises the standards creating "continuous improvement among member companies" according to Florverde's Director Juan Carlos Isaza. With 140 participating member companies, Florverde currently certifies almost one-half of all flowers exported from Colombia. Isaza said Asocolflores created Florverde to provide flower growers with an internationally recognized certification that would increase their marketability. He emphasized that the real strength of Florverde is its continuous efforts to improve standards. For example, Florverde environmental standards exceed government regulations for pesticide application, water use, biodiversity, and waste management. According to Isaza, these standards have helped Florverde farms reduce their pesticide use by between 40 to 80 percent over the last ten years.

15. Pedro Mejia, Managing Director of the non-Asocolflores associated flower business Benilda Flowers, agreed that Florverde makes Colombian flowers more marketable internationally. About 10 percent of Colombia's flower growers, including Benilda, use a Europe-based certification program, EurepGap (European Good Agricultural Practices). Mejia said the European market still considers EurepGap a more rigorous certification program, largely because it uses outside auditors to ensure member compliance, in contrast to Florverde's self-certification. Mejia thinks the flower business has to respond to NGO concerns because international consumers are increasingly sensitive to how products are produced: his worst nightmare would be the presence of picketers in front of WalMart on February 13 protesting the sale of flowers from Colombia.

Progress on Some Thorny Issues

16. Aura Rodriguez, Executive Director of Cactus, an NGO devoted to improving human rights in Colombia's flower industry, claims Florverde standards are lower than most international certification programs. Still, Rodriguez said the industry has made steady progress and attributes this largely to Florverde. Rodriguez admits Florverde has helped reduce pesticide use and worker exposure. She said the biggest remaining challenge is improving labor rights, particularly the freedom to associate. Rodriguez also pointed to another labor problem: employers insisting on pregnancy tests for female workers. Although employers claim the measure protects pregnant women from exposure to harmful chemicals, Rodriguez said they use it to avoid hiring pregnant women and paying maternity leave.

17. Ayade Silva, President of Colombia's largest flower workers union, Untraflores, agreed on the importance of the freedom to associate. Silva said workers who try to organize union activities in the flower industry have been threatened and fired. She criticized Florverde for not explicitly stating that members must permit workers the freedom to associate. Silva also said employers take advantage of a

legal loophole to create worker's cooperatives, ostensibly owned and controlled by workers, but in reality intended to reduce workers' rights.

¶ 8. Isaza told us Florverde standards did not initially include freedom to associate because the right is already guaranteed by law and because the flower industry's 14 percent union membership is the highest in the private sector. He acknowledged, however, that the omission was a mistake that weakened Florverde's image. Isaza said that since July 2007 Florverde has required that all members provide evidence of workers' freedom to associate, a system for worker complaints, and a collective bargaining mechanism.

Isaza said Florverde also plans to issue standards to reduce pregnancy testing and the inappropriate use of workers' cooperatives.

Brownfield